LITU HOLDINGS LIMITED
力圖控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1008)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

THE ACQUISITION

The Board wishes to announce that on 24 March 2025 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendors in relation to the acquisition of the Properties for an aggregate cash consideration of HK$388,000,000. Subject to the entering into of the Formal Agreement and the fulfilment of conditions precedent to be set out therein, it is expected that completion of the Acquisition will take place on or before 31 July 2025.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for approving the Provisional Agreement and the transactions contemplated thereunder. The Company has obtained a written approval for the Provisional Agreement and the transactions contemplated thereunder from Sinorise International Limited and Profitcharm Limited (being the controlling shareholders of the Company holding in aggregate 901,456,892 Shares, representing approximately 57.5% of the issued share capital of the Company as at the date of this announcement). Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisition. Therefore, no extraordinary general meeting of the Company to approve the Provisional Agreement and the transactions contemplated thereunder will be convened pursuant to Rule 14.44 of the Listing Rules.

The Circular containing further details of the Provisional Agreement and the transactions contemplated thereunder, and the valuation of the Properties, is required to be despatched to the Shareholders on or before 16 April 2025. As additional time may be required by the Company to gather the financial information relating to the Properties and prepare the valuation report for inclusion in the Circular, the Company may need to apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules for despatch of the Circular at a later date. Further announcement will be made in this regard.

INTRODUCTION

The Board wishes to announce that on 24 March 2025 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendors in relation to the acquisition of the Properties for an aggregate cash consideration of HK$388,000,000.

THE PROVISIONAL AGREEMENT

Date:	24 March 2025 (after trading hours)
Vendors:	Vendor A: Winland Centre Limited (永倫中心有限公司) Vendor B: Winland Culture Limited (永倫文化有限公司) Vendor C: Winland Property Holding Limited (永倫興業有限公司)
Purchaser:	Gold In Properties Limited (創金置業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
Property:	Vendor A's Property: Shop B on G/F Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong Vendor B's Property: 12/F on Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17- 21 Fenwick Street, Wan Chai, Hong Kong Vendor C's Property: Shop C on G/F, Shop E on G/F, 2/F, 3/F, Office No. 1 on 4th Floor, Office No. 2 on 4th Floor, 5/F, 6/F, 7/F, 8/F & Flat Roof, 9/F, 10/F, 11/F & Flat Roof, 13/F, Whole on 14/F & Flat Roof, 15/F & Flat Roof, 16/F, Flat Roof on Portion on 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall, 17/F (also known as Penthouse), Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong

Consideration and payment schedule:	The consideration is HK$388,000,000 which is payable by the Purchaser to the Vendors in the following manner:

(i) HK$38,800,000, being 10% of the consideration shall be paid to the Vendors' solicitors as stakeholders upon signing of the Formal Agreement in respect of the Properties as deposit (the "**Deposit**"), which shall be released to the Vendors upon completion of the Acquisition; and

(ii) HK$349,200,000, being the remaining 90% of the consideration shall be paid on the completion date of the Acquisition to be agreed among the Vendors and the Purchaser under the Formal Agreement.

Notwithstanding the above, it is agreed that upon signing of the Provisional Agreement, a sum in the amount of HK$19,400,000, being 5% of the consideration, was paid by the Purchaser to the Vendor's solicitors as earnest money (the "**Earnest Money**"). The Earnest Money shall be applied to the Deposit upon signing of the Formal Agreement. If no Formal Agreement is entered into by the Vendors and the Purchaser on or before 17 April 2025, the Earnest Money shall be returned to the Purchaser in accordance with the terms of the Provisional Agreement.

The exact consideration for each of Vendor A's Property, Vendor B's Property and Vendor C's Property payable to Vendor A, Vendor B and Vendor C respectively shall be agreed by the Vendors and the Purchaser in the Formal Agreement.

The ad valorem stamp duty shall be borne by the Purchaser.

Conditions precedent:	The Acquisition is subject to and conditional upon obtaining clearance from the Stock Exchange and obtaining the Board and Shareholders' approval to proceed.

If the above condition precedent cannot be fulfilled within three (3) months from the date of the Provisional Agreement, the Purchaser shall be entitled to rescind the Provisional Agreement without liability and the Deposit paid by the Purchaser shall be refunded to the Purchaser forthwith. If the Purchaser fails to complete the Acquisition other than as a result of the non-fulfillment of the above condition precedent, the Deposit paid by the Purchaser shall be forfeited to the Vendors.

If the Vendors after receiving the Deposit paid by the Purchaser fail to complete the sale in accordance with the terms and conditions of the Formal Agreement, the Vendors shall forthwith return the Deposit paid in full to the Purchaser and compensate the Purchaser a sum equivalent to the total amount of the Deposit paid by the Purchaser as liquidated damages for the Purchaser, and reimburse the Purchaser the stamp duty provided that the Purchaser shall not take any further action to pursue any liabilities against the Vendors, including demanding other compensation or specific performance from the Vendors.

The Properties are being sold to the Purchaser on an "as is" basis. Pursuant to the Provisional Agreement, the sale and purchase of the Properties under the Provisional Agreement shall be regarded the sale and purchase of a single property from the Vendors.

Subject to the entering into of the Formal Agreement and the fulfilment of conditions precedent to be set out therein, it is expected that completion of the Acquisition will take place on or before 31 July 2025.

Consideration

The consideration of the Acquisition was arrived at after arm's length negotiations between the Vendors and the Purchaser by reference to information available to the Group based on discussions made with its property agent and the indicative value of the Properties by an independent valuer of not less than HK$550 million using market approach, and the recent transactions of the property market in Hong Kong for properties in the vicinity of the Properties. The consideration of the Acquisition will be financed by internal resources of the Group.

Information of the Vendor

To the best of their knowledge, information and belief, having made all reasonable enquiries, the Vendors are companies incorporated in Hong Kong with limited liability, all of which are principally engaged in property investment. Vendor A and Vendor B are wholly-owned by Vendor C and the Vendors and their ultimate beneficial owner, being Mr. Lun Yiu Kay Edwin, are Independent Third Parties.

Information of the Properties

The Properties collectively represent about 86.67% of undivided shares of the 17-storey commercial building named "Kam Chung Building" in the prime location of Wan Chai, Hong Kong. The aggregate saleable area of the Properties is approximately 50,169 square feet.

Based on the information provided by the Vendors, the unaudited total rental income derived from the Properties in the two financial years ended 31 December 2023 and 31 December 2024 was approximately HK$1 million and HK$1 million respectively. Upon completion, the Vendors shall deliver vacant possession of the Properties to the Purchaser.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of the printing of cigarette packages, manufacturing of paper packaging materials, printing of packages and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services and leasing of investment properties.

Given the current property market conditions, characterised by a notable decline in Hong Kong property prices over the past years, the Board believes that the proposed Acquisition offers a strategic opportunity for the Group to secure the Properties at a competitive price point. As the Properties have been occupied for over 50 years, the Properties are subject to a number of notices, orders and directions issued by the government authorities in Hong Kong (such as Buildings department and Fires Services department etc.). The Directors estimate that the total costs and expenses involved in the remedial or rectification of these notices, orders and directions would not be more than HK$5 million. There is also an adverse possession judgment registered against the building but it has not directly related to the Properties being acquired by the Group nor would it affect the use of the Properties by the Group in future. It is expected that the Properties will be fully refurbished after completion for leasing out in order to have a recurring and stable rental income to the Group. The Acquisition not only presents the potential for return on investment but also positions the Company to capitalise on future market recovery.

The Directors remain cautiously optimistic about the long-term outlook for the Hong Kong property market, forecasting potential capital appreciation that could enhance the value of these properties in the long run. The Acquisition would enable the Group to strengthen its investment property business by providing a stable rental income to the Group, alongside its existing core businesses. The Company does not have any intention, understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose any of its core businesses.

The Board considers that the terms of the Acquisition are fair and reasonable in the current property market conditions, and are in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

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Shareholders and potential investors of the Company should be aware that the Acquisition is subject to, among other matters, the fulfilment of certain conditions including titles of the Properties and consequently, the transactions contemplated under the Provisional Agreement may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when they deal in the Shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"Acquisition"	the proposed acquisition of the Properties by the Purchaser from the Vendors pursuant to the Provisional Agreement
"Board"	the board of Directors
"Circular"	the circular to be despatched to the Shareholders in relation to the Acquisition under the Listing Rules
"Company"	Litu Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1008)
"Director(s)"	the director(s) of the Company

"Formal Agreement"	the formal agreement to be entered into between the Vendors and the Purchaser in relation to the sale and purchase of Properties
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) who is not a connected person of the Company pursuant to Chapter 14A of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Properties"	collectively, Vendor A's Property, Vendor B's Property and Vendor C's Property
"Provisional Agreement"	the provisional agreement for sale and purchase dated 24 March 2025 entered into between the Vendors and the Purchaser in relation to the sale and purchase of Properties
"Purchaser"	Gold In Properties Limited (創金置業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Share(s)"	ordinary share(s) of HK$0.005 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor A"	Winland Centre Limited (永倫中心有限公司), a company incorporated in Hong Kong with limited liability and the registered owner of Vendor A's Property
"Vendor A's Property"	Shop B on G/F Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong
"Vendor B"	Winland Culture Limited (永倫文化有限公司), a company incorporated in Hong Kong with limited liability and the registered owner of Vendor B's Property
"Vendor B's Property"	12/F on Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong
"Vendor C"	Winland Property Holding Limited (永倫興業有限公司), a company incorporated in Hong Kong with limited liability and the registered owner of Vendor C's Property

"Vendor C's Property"	Shop C on G/F, Shop E on G/F, 2/F, 3/F, Office No. 1 on 4th Floor, Office No. 2 on 4th Floor, 5/F, 6/F, 7/F, 8/F & Flat Roof, 9/F, 10/F, 11/F & Flat Roof, 13/F, Whole on 14/F & Flat Roof, 15/F & Flat Roof, 16/F, Flat Roof on Portion on 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall, 17/F (also known as Penthouse), Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong
"Vendors"	collectively, Vendor A, Vendor B and Vendor C
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By Order of the Board
Litu Holdings Limited
Mr. Huang Wanru
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Huang Wanru (Chairman) and Ms. Chen Lin Lin Caddie, one non-executive Director, namely, Ms. Li Li, and four independent non-executive Directors, namely, Mr. Lui Tin Nang, Mr. Lam Ying Hung, Andy, Mr. Siu Man Ho, Simon and Dr. Wan Xiaoxia.